



Bank of China Limited

U.S. Resolution Plan

Public Section

December 31, 2014

This document contains forward-looking statements. Statements that are not historical facts, including statements about Bank of China's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. The forward-looking information contained in this document is presented for the purpose of interpreting the information contained herein and may not be appropriate for other purposes. Forward-looking statements speak only as of the date they are made, and Bank of China undertakes no obligation to update publicly any of them in light of new information or future events.

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INTRODUCTION

The U.S. Resolution Plan of Bank of China Limited (the “Bank”) is being filed pursuant to implementing regulations (the “Final Rule”) issued by the Board of Governors of the Federal Reserve System (“FRB”) (12 CFR Part 243) and the Federal Deposit Insurance Corporation (“FDIC”) (12 CFR Part 381) pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”).

Section 165(d) and the Final Rule specify that any foreign bank that is treated as a bank holding company under Section 8(a) of the International Banking Act of 1978 (the “IBA”) and has \$50 billion or more in global total consolidated assets is a “Covered Company” for purposes of Section 165(d) and the Final Rule. A Covered Company is required to periodically submit to the FRB and FDIC a plan for such company’s rapid and orderly resolution of its U.S. operations in the event of material financial distress or failure.

The Bank is organized under the laws of the People’s Republic of China (“PRC”). Because the Bank maintains branch offices in the United States (described below), the Bank is treated as a bank holding company under Section 8(a) of the IBA. The global total consolidated assets of the Bank, including its U.S. operations, exceeded \$50 billion as of December 31, 2013. As a result, the Bank is a Covered Company and is required to file a U.S. Resolution Plan under Section 165(d) and the Final Rule.

As required by the Final Rule, this document constitutes the Public Section of the Bank’s U.S. Resolution Plan.

Overview of the Bank

Bank of China was formally established in February 1912. From 1912 to 1949, the Bank served consecutively as the country’s central bank, international exchange bank, and specialized international trade bank. After the founding of PRC, the Bank became responsible for managing China’s foreign exchange operations and provided support to the nation’s foreign trade development and economic infrastructure through its offering of international trade settlement, overseas fund transfer and other non-trade foreign exchange services. In 1994, the Bank transformed from a specialized foreign exchange bank into a state-owned commercial bank, and then incorporated as Bank of China Limited in August 2004. The Bank was listed on the Hong Kong Stock Exchange and Shanghai Stock Exchange in June and July 2006 respectively.

The Bank provides a comprehensive range of financial services to customers across the Chinese mainland, Hong Kong, Macau, Taiwan and 37 overseas countries. It is one of the largest banking groups in China and is China’s most international and diversified bank. The largest shareholder of the Bank is Central Huijin Investment Limited, an investment company owned by the Chinese government. As of December 31, 2013, it held 67.72% of the Bank’s equity. The second largest

shareholder of the Bank is National Council for Social Security Fund in China. As of December 31, 2013, it held 2.69% of the Bank's equity. The remaining 29.59% of equity was held by other public shareholders. The Bank's core business is commercial banking, including corporate banking, personal banking and financial markets services. As of December 31, 2013, the Bank had total assets of over \$2.29 trillion. The Bank's total revenue for 2013 was approximately \$67.3 billion. In 2012, 2013 and 2014, the Bank was designated as a Global Systemically Important Bank ("G-SIB") by the Financial Stability Board, becoming the sole financial institution from emerging economies to be designated as a G-SIB for three consecutive years.

Overview of the Bank's U.S. Operations

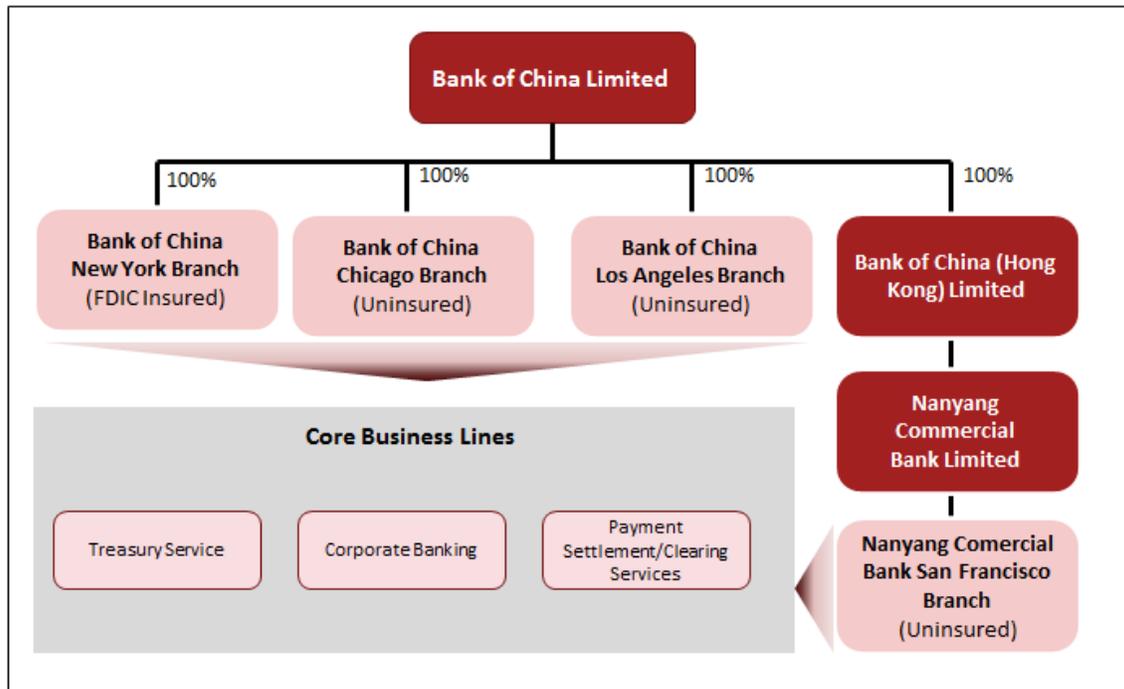
The Bank conducts its banking operations in the United States through five federally licensed branches:

- Bank of China New York Branch ("Midtown Branch"),
- Bank of China Queens Branch ("Queens Branch"),¹
- Bank of China Chicago Branch ("BOCCH"),
- Bank of China Los Angeles Branch ("BOCLA"), and
- Nanyang Commercial Bank San Francisco Branch ("NCBSF").

The Bank has two branches located in New York, NY: the Midtown branch and the Queens branch. The Midtown Branch and the Queens Branch are two of the few remaining grandfathered FDIC-insured branches of foreign banks. For U.S. Resolution planning purposes, the Midtown Branch and the Queens Branch have been combined and are referred to as "BOCNY", unless otherwise specified. All five of the Bank's U.S. branches are licensed by the Office of the Comptroller of the Currency ("OCC"). NCBSF and BOCLA are uninsured limited federally-licensed branches. BOCCH is an uninsured federally licensed branch. As of December 31, 2013 the Bank's five U.S. branches had total assets of approximately \$50.7 billion.

¹ The Queens Branch was formerly known as the Bank of China New York Chinatown Branch. On June 23, 2014 the Bank of China New York Chinatown Branch was moved to Queens and is now referred to as the Queens Branch.

The U.S. banking operations of Bank of China as of December 31, 2013 are depicted below:



Within the Bank’s organization, there are three nonbanking entities domiciled in the United States:

- BOC Aviation (USA) Corporation (“BOCA”),
 - Business: aircraft leasing;
 - Total assets as of December 31, 2013: \$2.2 billion
- BOC International (USA) Incorporated (“BOCI”),
 - Business: investment brokerage;
 - Total assets as of December 31, 2013: \$1.88 million
- BoCI Commodities & Futures (USA) LLC (“BOCI C&F”)
 - Business: commodities and futures brokerage;
 - Total assets as of December 31, 2013: \$4.8 million

Overview of the Resolution Plan

The key building blocks of the Bank's U.S. Resolution Plan are the identification of Core Business Lines, Critical Operations, and Material Entities (each as defined in the Final Rule), if any, and the determination of whether any such Core Business Lines, Critical Operations, or Material Entities are within the scope of the requirements of the Final Rule.

1. CORE BUSINESS LINES

Definition

Core Business Lines ("CBLs") are defined in the Final Rule as the business lines of the Covered Company which are conducted in whole or material part in the U.S., and the failure of which would result in a material loss of revenue, profit, or franchise value to the Covered Company.

Identification of *Core Business Lines*

For the purpose of this U.S. Resolution Plan, the Bank has identified three Core Business Lines in its U.S. operation – Corporate Banking, Payment Settlement/Clearing Services ("PSCS"), and Treasury Services. Corporate Banking comprises the vast majority of the U.S. operations and includes the following three businesses:

- Trade Finance,
- Corporate Loans, and
- Financial Institution Services.

2. CRITICAL OPERATIONS

Definition

Critical Operations ("COs") are defined in the Final Rule as those operations of a Covered Company which are conducted in whole or material part in the U.S., including associated services, functions and support, the failure or discontinuance of which, would pose a threat to the stability of the U.S. financial system.

Identification of *Core Business Lines*

For the purpose of this U.S. Resolution Plan, under the Final Rule either the Bank or the FRB and the FDIC have the authority to jointly designate an operation of a Covered Company as a CO. The Bank conducted an analysis that resulted in the determination that the Bank does not have a CO. Additionally, the FRB and FDIC have not designated any operations that Bank of China Limited conducted in whole or material part in the U.S. as a Critical Operation. Thus, for purposes of this U.S. Resolution Plan, the Bank does not have any COs.

3. MATERIAL ENTITIES

Definition

Material Entities (“MEs”) are defined as a subsidiary or foreign office of the Covered Company that is significant to the activities of a Critical Operation or Core Business Line.

Identification of *Material Entity*

For the purpose of this U.S. Resolution Plan, the Bank has identified one Material Entity – BOCNY, which is comprised of the Midtown Branch and the Queens Branch. The Bank has determined that it has no U.S. nonbanking MEs.

4. CONSOLIDATED FINANCIAL INFORMATION REGARDING ASSETS, LIABILITIES, CAPITAL AND MAJOR FUNDING SOURCES

Consolidated Statement of Financial Position

The following table summarizes the consolidated statement of financial position of the Bank as at December 31, 2013, presented in accordance with International Financial Reporting Standards (“IFRS”).

BOC Consolidated Financials as of December 31, 2013	
Assets	(Renminbi millions)
Cash and due from banks and other financial institutions	702,584
Balances with central banks	2,132,001
Placements with and loans to banks and other financial institutions	660,049
Government certificates of indebtedness for bank notes issues	82,069
Precious metals	193,208
Financial assets at fair value through profit or loss	75,200
Derivative financial assets	40,823
Loans and advances to customers, net	7,439,742
Investment securities	2,181,270
Investment in associates and joint ventures	13,368
Property and equipment	158,968
Investment properties	20,271
Deferred income tax assets	22,928
Other assets	151,818
Total assets	13,874,299
Liabilities	
Due to banks and other financial institutions	1,551,624
Due to central banks	200,939
Bank notes in circulation	82,212
Placements from banks and other financial institutions	339,365
Derivative financial liabilities	36,212
Due to customers	10,097,786
Bonds issued	224,704
Other borrowings	29,570
Current tax liabilities	40,031
Retirement benefit obligations	4,815

BOC Consolidated Financials as of December 31, 2013	
Deferred income tax liabilities	3,385
Other liabilities	302,279
Total liabilities	12,912,822
Equity	
Share capital	279,365
Capital reserve	116,121
Treasury shares	(28)
Statutory reserves	80,225
General and regulatory reserves	144,450
Undistributed profits	323,673
Reserve for fair value changes of available for sale securities	1,652
Currency translation differences	(21,542)
Non-controlling interests	37,561
Total equity	961,477

Source: Bank of China Limited 2013 Annual Report

Capital

The Bank utilizes a centralized model for capital, funding, and liquidity management that ensures optimal global efficiency and control. BOCNY provides funding operations to U.S. branches and provides U.S. dollar funding based on business requirements to other Bank of China foreign branches and affiliates. It also manages the liquidity for other U.S. branches.

The CBRC requires each bank or banking group to maintain a ratio of total regulatory capital to its risk-weighted assets at or above the agreed minimum of 8%, and a core capital ratio of above 4%. The minimum leverage ratio of each bank or banking group is 4%.

The table below summarizes the capital adequacy ratios and leverage ratio of the Bank as at December 31, 2013. The Bank complied with the externally imposed capital and leverage ratio requirements to which it is subject.

As at 31 December 2013

For the Bank:

Capital adequacy ratio	13.43%
Core capital adequacy ratio	10.92%
Leverage ratio	5.54%

The capital adequacy ratios and leverage ratio above are calculated in accordance with the rules and regulations promulgated by the CBRC and generally accepted accounting principles of PRC ("CAS").

Major Funding Sources

BOCNY is self-funded under both normal and stress conditions. It provides funding to and manages liquidity for BOCLA and BOCCH. Additionally, BOCNY, is designated as the U.S. dollar funding pool within the Bank's global operations, and BOCNY arranges U.S. dollar funding for other overseas branches and Head Office on a case-by-case basis. BOCNY is mainly funded by deposits from various third parties in China as well as in the United States.

Also, the Bank has a majority-owned Hong Kong-incorporated banking subsidiary, Nanyang Commercial Bank Limited ("NCB"), that has a branch in San Francisco (NCBSF). NCBSF is mainly funded by wholesale deposits, and corporate customers in the United States as well as by its parent bank, NCB in Hong Kong. NCB's liquidity is managed by NCB.

5. DERIVATIVE ACTIVITIES AND HEDGING ACTIVITIES

BOCNY enters into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments are mainly interest rate swaps and foreign exchange forwards. BOCNY uses these instruments to reduce its sensitivity to interest rate fluctuations.

6. MEMBERSHIPS IN MATERIAL PAYMENT, CLEARING AND SETTLEMENT SYSTEMS

The Bank's U.S. banking operations utilize payment, clearing and settlement systems to support a variety of business functions. Some of the material payment, clearing and settlement systems in which the Bank is a member are listed below.

Global Payment System (GPS)	Funds transfer and payment processing system.
SWIFT SAA	Global financial payment and messaging service system by SWIFT.
Clearing House Interbank Payments System ("CHIPS")	U.S. dollar clearing house.
Federal Reserve Wire Network ("FedWIRE")	U.S. dollar settlement system.

7. FOREIGN OPERATIONS

As China's most international and diversified bank, Bank of China provides a comprehensive range of financial services to customers across the Chinese mainland, Hong Kong, Macau, Taiwan and 37 overseas countries. The Bank's core business is commercial banking, including corporate banking, personal banking and financial markets services. BOC International Holdings

Limited, a wholly owned subsidiary, is the Bank's investment banking arm. Bank of China Group Insurance Company Limited and Bank of China Insurance Company Limited, wholly owned subsidiaries, run the Bank's insurance business. Bank of China Group Investment Limited, a wholly owned subsidiary, undertakes the Bank's direct investment and investment management business. Bank of China Investment Management Co., Ltd., a controlled subsidiary, operates the Bank's fund management business. BOC Aviation Pte. Ltd., a wholly owned subsidiary, is in charge of the Bank's aircraft leasing business.

8. MATERIAL SUPERVISORY AUTHORITIES

Home Country Authorities

Home Country Authorities for Bank of China Limited			
Agency	Country/Region	Description	Address
China Banking Regulatory Commission (“CBRC”)	China	<ul style="list-style-type: none"> Formulates supervisory rules and regulations governing the banking institutions; Authorizes the establishment, changes, termination and business scope of the banking institutions; and Conducts on-site examination and off-site surveillance of the banking institutions, and take enforcement actions against rule-breaking behaviors 	15A Financial Street Xicheng District Beijing, 100033 China
People’s Bank of China (“PBOC”)	China	<ul style="list-style-type: none"> Formulates and implements monetary policy in accordance with law; Issues the Renminbi and administers its circulation; Regulates financial markets, including the inter-bank lending market, the inter-bank bond market, foreign exchange market and gold market; and Prevents and mitigates systemic financial risks to safeguard financial stability 	32 Cheng Fang Street Xicheng District Beijing, 100800 China
China Securities Regulatory Commission (“CSRC”)	China	<ul style="list-style-type: none"> Authorized by the State Council of China, in accordance with relevant laws and regulations, CBRC, a ministry-level unit directly under the State Council, regulates China’s securities and futures markets with an aim to ensure their orderly and legitimate operation 	Focus Place 19 Financial Street Xicheng District Beijing, 100033 China
Securities and Futures Commission (“SFC”)	Hong Kong	<ul style="list-style-type: none"> Sets and enforces market regulations, including investigating breaches of rules and market misconduct and taking appropriate enforcement actions; Licenses and supervises intermediaries seeking to conduct regulated activities for which the SFC has regulatory responsibility, such as brokers, investment advisers and fund managers; and Supervises market operators including exchanges, clearing houses and alternative trading platforms, and helps to enhance market infrastructure 	35/F, Cheung Kong Center 2 Queen’s Road Central, Hong Kong

Host Country Authorities

Primary Authorities for Material Entity and Core Business Line		
Material Entity	Core Business Line	Agency
BOCNY	Corporate Banking Payment Settlement/Clearing	Office of the Comptroller of the Currency (“OCC”)
		Federal Reserve Board (“FRB”)
		Federal Deposit Insurance Corporation (“FDIC”)

	Services Treasury Services	
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Other than the primary regulatory authorities listed above, the following table identifies other authority in the United States that are responsible for monitoring the following U.S. banking entity of the Bank.

Other Host Country Authority	
Agency	Entity
Consumer Financial Protection Bureau (“CFPB”)	BOCNY

The Bank’s nonbanking entities, BOCI and BOCI C&F, are also subject to regulation and supervision in the United States. BOCI is subject to the regulation and supervision of the U.S. Securities and Exchange Commission (“SEC”) and the Financial Industry Regulatory Authority (“FINRA”) with respect to its investment brokerage business. The commodities and futures activities of BOCI C&F are subject to regulation and oversight by the U.S. Commodity Futures Trading Commission (“CFTC”) and the Chicago Mercantile Exchange Group-owned exchanges.

9. PRINCIPAL OFFICERS

Directors, Supervisors and Senior Management Members of the Bank

Board of Directors	
Name	Position
Tian Guoli	Chairman
Chen Siqing	Vice Chairman and President
Li Zaohang	Executive Director and Executive Vice President
Sun Zhijun	Non-executive Director
Liu Lina	Non-executive Director
Zhang Xiangdong	Non-executive Director
Zhang Qi	Non-executive Director
Wang Yong	Non-executive Director
Chow Man Yiu	Independent Director
Jackson Tai	Independent Director
Nout Wellink	Independent Director
Lu Zhengfei	Independent Director
Leung Cheuk Yan	Independent Director

Source: Bank of China Interim Report 2014

Board of Supervisors	
Name	Position
Li Jun	Chairman of the Board of Supervisors
Wang Xueqiang	Shareholder Supervisor
Liu Wanming	Shareholder Supervisor
Deng Zhiying	Employee Supervisor
Liu Xiaozhong	Employee Supervisor
Xiang Xi	Employee Supervisor
Mei Xingbao	External Supervisor

Bao Guoming	External Supervisor
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Source: Bank of China Interim Report 2014

Senior Management	
Name	Position
Chen Siqing	Vice Chairman and President
Li Zaohang	Executive Director and Executive Vice President
Zhang Lin	Secretary of Party Discipline Committee
Zhu Shumin	Executive Vice President
Yue Yi	Executive Vice President
Zhang Jinliang	Executive Vice President
Ren Deqi	Executive Vice President
Chim Wai Kin	Chief Credit Officer
Liu Yanfen	Chief Audit Officer
Fan Yaosheng	Secretary to the Board of Directors

Source: Bank of China Interim Report 2014

10. CORPORATE GOVERNANCE STRUCTURE AND RESOLUTION PLANNING PROCESS

In order to provide timely, credible and complete responses to supervisory resolution planning initiatives designed to enable authorities to resolve financial institutions in an orderly manner, the Bank established corporate governance related to resolution planning which is integrated into its existing governance structure.

The established governance bodies and operative bodies are as follows:

- U.S. Resolution Planning Steering Committee (the “Steering Committee”); and
- Office of U.S. Resolution Planning (the “RP Office”).

The Steering Committee is responsible for overseeing the development, maintenance, implementation and filing of the Bank’s U.S. Plan. The RP Office is responsible for establishing a comprehensive governance and management process to execute the creation and maintenance of the Plan required to be filed by the Bank under Title 1 of the Dodd-Frank Act.

The Bank has established a governance framework at both the Bank level and U.S. operations level to ensure that all aspects of resolution planning receive appropriate attention by the designated Board of Directors. The governance framework establishes the roles and responsibilities of committees for the global and local management of resolution planning.

11. MATERIAL MANAGEMENT INFORMATION SYSTEMS

The Bank's U.S. banking operations utilize management information systems to support a variety of business functions. These systems include applications to conduct business activities across all financial products, as well as generate accounting, financial, operations, regulatory and risk management reports. Systems and applications are essential for effective operations and are managed through a best practices business continuity approach. Some of the systems and applications are directly purchased from other third-party vendors, or have been developed internally and are supplemented with third-party vendors.

12. RESOLUTION STRATEGY

As required by the Final Rule, the Bank has assumed for purposes of this Resolution Plan that:

- An idiosyncratic event causes the failure of one or more major branches and subsidiaries of the Bank, leading to the material financial distress and ultimate failure of the Bank;
- Financial markets are functioning normally; and
- There is no extraordinary government support available to the Bank in the U.S. or China that would affect the U.S. operations of the Bank.

In general, banks in China, including the Bank, are subject to resolution under a combination of general insolvency law and certain special rules in the Commercial Banks Law. The Bank has also been designated by the Financial Stability Board as a globally significant bank, or G-SIB, and is one of the two Chinese banks to be designated by the FSB as a G-SIB. The Bank is currently working directly with People's Bank of China ("PBOC") and the China Bank Regulatory Commission (the "CBRC"), its home country regulatory authorities, with respect to global recovery and resolution planning requirements. The Ministry of Finance of PRC also has an enhanced role in the Bank's resolution planning process.

In addition, the FDIC and PBOC have entered into a Memorandum of Understanding ("MOU") that is designed to extend their effective international working relationship, including in the area of resolution. The MOU seeks to enhance cooperation in analyzing cross-border financial institution recovery and resolution issues, and planning for potential recovery and resolution scenarios, including appropriate simulations, contingency planning and other work designed to improve preparations to manage troubled institutions with operations in the United States and the PRC.

The Bank is assuming the resolution strategy for its U.S. operations in the event of a material financial distress or failure of the Bank would be to pursue an orderly liquidation of all assets of its U.S. branches and subsidiaries. Given that the substantial majority of the Bank's U.S. operations are conducted in its branches (i.e., BOCNY, BOCLA, BOCCH and NCBSF), this resolution strategy would primarily involve the OCC appointing the FDIC as receiver of the

Bank's federally licensed branches under the IBA and a liquidation of the branches by the FDIC under the Federal Deposit Insurance Act (the "FDI Act") and FDIC regulations.

As a registered broker dealer, BOCI is a member of the Securities Investor Protection Corporation ("SIPC") and would be eligible for resolution under the Securities Investor Protection Act ("SIPA") if it has "customers" as defined under SIPA. Currently BOCI does not hold customer assets in the normal course of business and would not be eligible for resolution under SIPA. Accordingly, BOCI would be resolved under Chapter 11 of the US Bankruptcy Code. If BOCI were to hold customer funds at the time of its entry into resolution, BOCI likely would be wound down after the initiation of a SIPA proceeding by a trustee appointed by SIPC.

In addition, as a futures commission merchant registered and regulated by the CFTC, BOCI C&F would be subject to liquidation proceedings under Subchapter IV of Chapter 7 of the U.S. Bankruptcy Code and Part 190 of the Code of Federal Regulations (17 CFR §§ 190.01-190.10) ("Part 190 of the CFR"). In a liquidation proceeding under Subchapter IV of Chapter 7 of the U.S. Bankruptcy Code, Part 190 of the CFR operates in conjunction with the U.S. Bankruptcy Code and a trustee overseeing the liquidation of BOCI C&F would be required to apply the rules set forth in Part 190 of the CFR in respect of each customer's claim for customer funds. Currently BOCI C&F does not hold customer funds. Therefore, many aspects of Part 190 of the CFR may not apply, and BOCI C&F's resolution would likely be governed instead under Chapter 7 (Liquidation) of the U.S. Bankruptcy Code. Furthermore, in the event of BOCA's resolution, BOCA would either be subject to Chapter 7 (Liquidation) or Chapter 11 (Reorganization) under the U.S. Bankruptcy Code, depending on the circumstances at the time.

However, the Bank recognizes that future developments in the context of ongoing communication and coordination can impact its resolution planning, and that ultimately, the resolution strategy chosen by the relevant resolution authority will be dependent on the facts and circumstances existing at the time of resolution.